


BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2001-311-C - ORDER NO. 2002-828
DECEMBER 9, 2002

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| IN RE: | Application of Global Crest Communications, Inc. d/b/a/ Dimensions for a Certificate of Public Convenience and Necessity to Operate as a Reseller Interexchange Telecommunications Services and for Modified Alternative Regulation of Its Interexchange Business Services Offerings |) | ORDER GRANTING |
| | |) | CERTIFICATE FOR |
| | |) | INTEREXCHANGE |
| | |) | AUTHORITY AND |
| | |) | MODIFIED |
| | |) | ALTERNATIVE |
| | |) | REGULATION |



This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of Global Crest Communications, Inc. (“Global Crest” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold interexchange telecommunications services within the State of South Carolina. Global Crest requests that the Commission regulate Global Crest’s long distance business services, consumer card services, operator services and private line service offerings in accordance with the principles and procedures established for relaxed regulation in Orders Nos. 95-1734 and 96-55 in Docket No. 95-661-C, as modified by Order No. 2001-997 in Docket No. 2000-407-C (now known as “modified alternative regulation”). The Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2001) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Global Crest to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the scope of the application. The purpose of the Notice of Filing was to inform interested parties of Global Crest's application and of the manner and time in which to file the appropriate pleadings for participation in the proceedings. Global Crest complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Petitions to Intervene or letter of protests regarding Global Crest's application were received by the Commission.

A hearing was convened on April 10, 2002, at 2:30 p.m. in the Commission's Hearing Room at 101 Executive Center Drive, Columbia, South Carolina. The Honorable William Saunders presided. Global Crest was represented by Scott Elliott, Esquire. Florence P. Belser, Deputy General Counsel, represented the Commission Staff.

Frank Pizzo, Vice President of Marketing for Global Crest, appeared and testified in support of the application. As Vice President of Marketing, Mr. Pizzo is responsible for all sales and marketing activities associated with the distribution of Global Crest's products as well as the leadership on Global Crest's in-house and territory sales force. Mr. Pizzo's background comprises over ten years experience of retail and wholesale expertise in the electronics and telecommunications industries.

According to Mr. Pizzo, Global Crest is a corporation organized under the laws of the State of Florida. On June 1, 2001, Global Crest was issued, by the South Carolina Secretary of State, a Certificate of Authority to transact business in the State of South Carolina.

In explaining the services which Global Crest intends to offer, Mr. Pizzo testified that Global Crest seeks authority to operate as a reseller of intraLATA and interLATA intrastate telecommunications services on a statewide basis. Global Crest seeks authority to offer on a resale basis intrastate interLATA and intraLATA direct-dialed services including 1+ service, flat rate service, 800 inbound service, travel cards, and prepaid calling cards. Global Crest has no plans at this time to construct any telecommunications transmission facilities of its own and seeks no authority for construction or facilities-based services. Rather, Global Crest will arrange for the traffic of underlying subscribers to be routed directly over the networks of Global Crest's network providers. Global Crest intends to utilize Qwest and Global Crossing as underlying carriers, and Mr. Pizzo assured the Commission that Global Crest would only use carriers properly certified by the Commission as its underlying carriers.

According to Mr. Pizzo, Global Crest will at all times market its services in South Carolina in accordance with current policies of the Commission. Global Crest intends to market its services via direct sales by Global Crest's employees and independent sales agents. Further, Global Crest will provide its intrastate services in accordance with the Commission's rules, regulations, and policies and will provide its interstate services in compliance with all FCC rules and regulations.

Mr. Pizzo testified that Global Crest has sufficient technical, financial, and managerial resources and abilities to provide the telecommunications service for which Global Crest seeks authority. Mr. Pizzo stated that Global Crest's personnel represent a broad spectrum of business and technical disciplines, possessing many years of individual

and aggregate telecommunications experience. The biographical information offered by Global Crest indicates a management team with telecommunications experience as well as experience in sales, software development, customer service and technology and networked computer systems. Global Crest provides in-house customer service support, and Global Crest's customer service department may be reached by a toll free telephone number.

Global Crest owns a switch in New York, but Global Crest also will rely on the technical network capabilities of its underlying carriers for network and transport facilities. Further, Mr. Pizzo noted that Global Crest is presently operating in forty-one states and the District of Columbia.

Global Crest indicates a desire to have its long distance business services, including consumer card services, operator services, and private line services offerings regulated by modified alternative regulation. Global Crest requested that all of its long distance business service offerings be regulated pursuant to the procedures described and set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. It is Global Crest's intent by this request to have its long distance business services regulated in the same manner as this Commission has permitted for AT&T Communications of the Southern States. Alternative regulation has now been modified by this Commission through the re-imposition of rate caps with regard to certain "operator assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such

calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls.

According to the Application and Mr. Pizzo's testimony, Global Crest seeks a waiver of 26 S.C. Code Regs. 103-610 of the Commission's Rules and Regulations. Global Crest requests a waiver of 26 S.C. Code Regs. 103-610 (1976) so that it may maintain its records outside of South Carolina. Specifically, Global Crest seeks to maintain its books and records at its headquarters office in North Miami, Florida. Mr. Pizzo stated that Global Crest agrees to make these records available for examination by the Commission.

According to Mr. Pizzo, Global Crest has never had authority denied in any state where it has applied for authority nor has Global Crest had authority revoked in any state where it has been granted authority. Additionally, Global Crest has never been the subject of an investigation nor been fined or sanctioned by a state or federal regulatory body. Finally, Mr. Pizzo stated that Global Crest will abide by all the Commission's rules, regulations and Orders upon receiving certification to operate as a telecommunications provider in South Carolina.

According to the testimony, Global Crest has received some revenues for the completion of intrastate calls before receiving the necessary certification to provide services in South Carolina. Mr. Pizzo explained that Global Crest has two small distributors located in the state and calls were made and completed and revenues collected. Mr. Pizzo stated that the amount of revenues is minimal.

Finally, Global Crest seeks permission from the Commission to conduct its business under the trade name of “Dimensions”. Global Crest made this request to use a trade name after Global Crest filed its application. In support of its request, Global Crest provided a copy of the form wherein Global Crest registered its trade name with the Clerk of Court for Richland County.

After full consideration of the applicable law, Global Crest’s Application, and the evidence presented at the hearing, the Commission hereby issues its Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. Global Crest is a privately held corporation duly organized and existing under the laws of the State of Florida and has been authorized to do business in the State of South Carolina by the Secretary of State.
2. Global Crest is a provider of interexchange telecommunications services and wishes to provide its services in South Carolina.
3. Global Crest has the managerial, technical, and financial resources to provide the services as described in its application.
4. The Commission finds that Global Crest should be granted a waiver of 26 S.C. Code Regs. 103-610 requiring that reports and records be maintained within the State of South Carolina.
5. The Commission finds that the provision of telecommunications services and the collection of revenues associated with those services to be incidental and minimal

and that the provisions of those services were made through inadvertence, not through active marketing.

6. Global Crest may use the trade name of “Dimensions” in its telecommunications business in South Carolina.

CONCLUSIONS OF LAW

1. The Commission concludes that a Certificate of Public Convenience and Necessity should be, and hereby is, granted to Global Crest to provide competitive intrastate interLATA service and to originate and terminate toll traffic within the same LATA, as set forth herein, through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Service (MTS), directory assistance, travel card service or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. The Commission adopts a rate design for the interexchange services of Global Crest consistent with the principles and procedures established for alternative regulation of long distance business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C and modified by Order No. 2001-997. Following the modification of the alternative regulation by Commission Order No. 2001-997, this form of regulation is commonly referred to by the Commission, Staff, and others as “modified alternative regulation.”

Under the Commission approved modified alternative regulation, the business service offerings of Global Crest, including consumer card services, operator services and private line services, are subject to a relaxed regulatory scheme identical to that granted

to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 issued in Docket No. 2000-407-C, this Commission has modified the previously approved alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme known as modified alternative regulation, tariff filings for business services shall be presumed valid upon filing. The Commission will have seven (7) days in which to institute an investigation of any tariff filing. If the Commission institutes an investigation of a particular tariff filing within the seven days, the tariff filing will then be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T shall apply to Global Crest also.

3. With regard to the residential interexchange service offerings of Global Crest, the Commission adopts a rate design that includes only maximum rate levels for each tariff charge. The Commission has previously adopted a rate structure incorporating maximum rate levels. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

4. With regard to residential interexchange service rates, Global Crest shall not adjust its residential interexchange service rates below the approved maximum levels

without notice to the Commission and to the public. Global Crest shall file its proposed rate changes, publish notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances that do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of Global Crest's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 2001).

5. If it has not already done so by the date of issuance of this Order, Global Crest shall file its revised interexchange tariffs and accompanying price lists within thirty (30) days of receipt of this Order. The revised tariffs shall be consistent with the findings of this Order, shall incorporate the changes suggested by the Staff and with which Global Crest agreed, and shall be consistent with South Carolina law, including the Commission's Rules and Regulations.

6. Global Crest is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

7. With regard to Global Crest's interexchange service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

8. Global Crest shall resell the services of only those interexchange carriers or LECs authorized by this Commission to provide telecommunications services within the State of South Carolina. If Global Crest changes underlying carriers, it shall notify the Commission in writing.

9. With regard to the origination and termination of toll calls within the same LATA, Global Crest shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (See, 47 CFR 51.209). Specifically, Global Crest shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

10. Global Crest shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The annual report and the gross receipt filings will necessitate the filing of intrastate information. Therefore, Global Crest shall keep such financial records on an intrastate basis as needed to comply with the annual report and gross receipt filings. The form to be used in filing annual financial information with the Commission may be found at the

Commission's website at www.psc.state.sc.us/forms/default.htm. The two-page form Global Crest is required to use in which to file the required information is entitled "Annual Information on South Carolina Operations for Interexchange Companies and AOS." Be advised that the Commission's annual report form requires the filing of intrastate revenues and intrastate expenses.

11. Global Crest shall, in compliance with Commission regulations, designate and maintain authorized utility representatives who are prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, Global Crest shall provide to the Commission in writing the names of the authorized representatives to be contacted in connection with general management duties as well as emergencies occurring during non-office hours.

Global Crest shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The form Global Crest is required to use by which to file the authorized utility representative information may be found at the Commission's website at www.psc.state.sc.us/forms/default.htm. This form is entitled "Authorized Utility Representative Information." Further, Global Crest shall promptly notify the Commission in writing if any representatives are replaced.

Global Crest shall also file with the Commission a copy of its general Bill Form as required by S.C. Code Regs. 103-612.2 and 103-622 (1976 and Supp. 2001).

12. Global Crest shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all

Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

13. With regard to Global Crest's requests for a waiver of the Commission's Rules and Regulations, Global Crest is hereby granted a waiver of 26 S.C. Code Regs. 103-610. Global Crest is granted this waiver and may maintain its books and records at its headquarters office in North Miami, Florida, on the condition that Global Crest make its records available for examination by the Commission at reasonable hours.

14. Each telecommunications company certified in South Carolina is required to file annually the Intrastate State Universal Service Fund (USF) worksheet. This worksheet provides the Commission Staff with information required to determine each telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than August 15th.

15. Global Crest is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

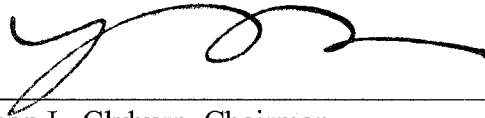
16. As a condition of offering prepaid interexchange services, the Commission requires Global Crest to post with the Commission a bond in the form of a Certificate of Deposit worth \$5,000 drawn in the name of the Public Service Commission of South Carolina or a surety bond in the amount of \$5,000 which is payable to the Commission. The Certificate of Deposit shall be drawn on federal or state chartered banks or savings and loan associations which maintain an office in this state and whose accounts are insured by either the FDIC or the Federal Savings and Loan Insurance Corporation. A

surety bond shall be issued by a duly licensed bonding or insurance company authorized to do business in South Carolina. This condition may be reviewed in one year.

17. Global Crest may utilize the use of the trade name “Dimensions” with regard to Global Crest’s telecommunications offerings in South Carolina.

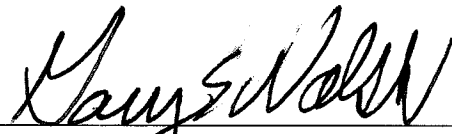
18. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Mignon L. Clyburn, Chairman

ATTEST:



Gary E. Walsh, Executive Director

(SEAL)